

Dixie Pipeline C O M P A N Y

November 19, 2008

Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety
233 Peachtree St., Suite 600
Atlanta, GA 30303

Attn.: Ms. Linda Daugherty
Director, Southern Region

Re: CPF No. 2-2008-5003
Dixie Pipeline Company (Dixie)
November 1, 2007 accident on 12" line near Carmichael, Mississippi
DOT Records review in Roswell, Georgia on January 28, 2008

Dear Ms. Daugherty,

In response to the Notice of Probable Violation (NOPV) and Proposed Compliance Order (CO) received February 21, 2008, and as a follow up to our initial response letter dated May 1, 2008, Dixie is addressing the following items:

Proposed Compliance Order Item 1

In regard to Item Number 1 of the Notice pertaining to the establishment of Maximum Operating Pressures, Dixie Pipeline Company will review their Maximum Operating Pressures with regards to all the requirements of 195.406, and establish and document Maximum Operating Pressures as appropriate.

Dixie's Response

In the May 1 response, Dixie stated that notification would be provided upon the approval of the Dixie Maximum Operating Pressure (MOP) study. This letter will serve as the notification that Dixie has completed all the work to comply with the proposed Compliance Order Item 1.

The technical review and management approval of the Dixie MOP study has been completed for the Dixie system. The MOP study results were reviewed with regards to all of the requirements of 195.406 and changes to control set points have been implemented where necessary.

Proposed Compliance Order Item 3

Dixie Pipeline shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total.... Costs shall be reported in two categories:

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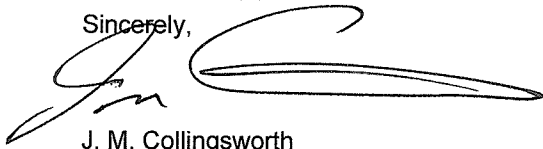
- 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and
- 2) total cost associated with replacement, additions and other changes to pipeline infrastructure

Dixie's Response

The total cost to date associated with the preparation/revision of plans, procedures, studies, and analyses is \$70,000. No costs associated with replacement, additions and other changes to pipeline infrastructure have been incurred. Costs related to internal manpower salaries are not included.

If you have any comments or questions, please contact us at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. M. Collingsworth', with a large, stylized flourish extending to the right.

J. M. Collingsworth
President, Dixie Pipeline Company

cc: